



The Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

Matter of: Pneumatrek, Inc.  
File: B-225136  
Date: February 24, 1987

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### DIGEST

1. Protest against cancellation of solicitation is denied where agency no longer requires the solicited item.
2. General Accounting Office has no legal basis to require the winning bidder under one solicitation to purchase supplies from the low bidder under a related, canceled solicitation.

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### DECISION

Pneumatrek, Inc., protests the cancellation of invitation for bids (IFB) No. DAAC89-86-B-0244, issued by the Department of the Army for 400,000 gaskets to support the renovation of M548 small arms shipping containers. Pneumatrek, the low bidder under the IFB, argues that it should be awarded the contract.

We deny the protest.

The Army reports that it previously had issued a solicitation for all work required to renovate the M548 containers, including furnishing gaskets. The low offeror was a small business and, after the Army determined the firm to be nonresponsible, the matter was referred to the Small Business Administration (SBA) for consideration under the certificate of competency (COC) procedures. The Army indicates it believed that, notwithstanding the Army's nonresponsibility determination, the SBA would issue a COC and that the contractor's performance would lead to considerable delays in the renovation of the M548 containers. As a result, the Army decided to procure the parts needed for renovation, including the gaskets, and renovate some containers at government plants to ensure that there would be a sufficient number of containers to meet the Army's mission requirements.

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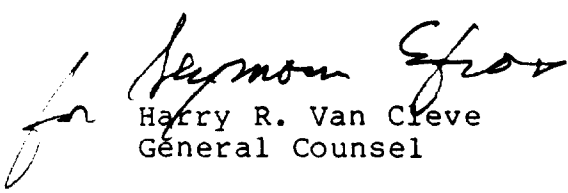
The current IFB was issued on August 29, 1986, solely for the gaskets the Army would need to renovate the containers at government plants. Bids were opened on September 29, and Pneumatrek was the apparent low bidder. The Army states that after bid opening, but prior to any award, the SBA declined to issue a COC to the low offeror on the total renovation contract. The second low offeror under that solicitation was the previous contractor, who could perform the work immediately, in the Army's view. The agency states that it therefore no longer was necessary for the Army to renovate any containers at government plants, so that there was no longer any need for the Army to obtain any gaskets separately. Consequently, the Army canceled the invitation.

Pneumatrek protests that either it should be awarded a contract for the gaskets or that the firm awarded the contract for the renovation of the M548 containers be required to order the gaskets from Pneumatrek.

Because of the potential adverse impact on the competitive bidding system of cancellation after bid prices have been exposed, a contracting officer must have a compelling reason to cancel an IFB after bid opening. Federal Acquisition Regulation (FAR), 48 C.F.R. § 14.404-1 (1986); Designware, Inc., B-221085, Jan. 28, 1986, 86-1 C.P.D. ¶ 101. The contracting officer has broad discretion to decide whether there is a compelling reason to cancel, and we limit our review to determining whether the exercise of that discretion is reasonable. Hoyer Construction Co., Inc., B-216825, Feb. 13, 1985, 85-1 C.P.D. ¶ 194.

Here, the Army does not need Pneumatrek's gaskets. Cancellation of a solicitation is proper where the contracting agency no longer needs the supplies or services. Auchter Industries, B-220929.2, et al., Jan. 24, 1986, 86-1 C.P.D. ¶ 86. Moreover, we have no legal basis on which to insist that the renovation contractor purchase gaskets from Pneumatrek.

The protest is denied.

  
Harry R. Van Cleve  
General Counsel